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SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-73128; File No. SR- ICEEU-2014-14)

September 17, 2014

Self-Regulatory Organizations; ICE Clear Europe Limited; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to ICE Clear Europe Delivery Procedures

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on September 2, 2014, ICE Clear Europe Limited (“ICE Clear Europe”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared primarily by ICE Clear Europe. ICE Clear Europe filed the proposal pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule 19b-4(f)(4)(ii)<sup>4</sup> thereunder so that the proposal was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency’s Statement of the Terms of Substance of the Proposed Rule Change

The principal purpose of the change is to modify certain aspects of the ICE Clear Europe Delivery Procedures in connection with the settlement of certain European energy futures contracts that are currently cleared by ICE Clear Europe, namely: ICE UK Base Electricity Futures Contract, ICE UK Peak Electricity Futures Contract, ICE UK Natural Gas Futures, ICE Endex TTF Natural Gas Base Load Futures, ICE Endex TTF Natural Gas WDNW Futures, ICE Endex German Gaspool Natural Gas Futures, ICE Endex German NCG Natural Gas Futures,

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>4</sup> 17 CFR 240.19b-4(f)(4)(ii).

ICE Endex Dutch Power Base Load Futures, ICE Endex Dutch Power Base Load Week Futures, ICE Endex Dutch Power Peak Load (7-23) Futures, ICE Endex Dutch Power Peak Load (8-20) Futures, ICE Endex Belgian Power Base Load Futures and ICE Endex German Power Futures (the “Relevant Futures Contracts”).

II. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, ICE Clear Europe included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. ICE Clear Europe has prepared summaries, set forth in sections (A), (B) and (C) below, of the most significant aspects of such statements.

(A) Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(1) Purpose

The purpose of the rule amendments is to modify certain aspects of the ICE Clear Europe Delivery Procedures in connection with the settlement of the Relevant Futures Contracts. As set forth below, substantially the same changes are made for each Relevant Futures Contract. The changes are made in each of Parts C through J of the Delivery Procedures, which are the subchapters relating to the Relevant Futures Contracts. ICE Clear Europe does not otherwise propose to amend its clearing rules or procedures in connection with the Relevant Futures Contracts.

The amendments are generally designed to provide for daily settlement of payments owed with respect to deliveries made, and to make related changes in the invoicing process. The settlement timetable in section 5 of each relevant Part has been revised so that payment takes

place by 9:00 a.m. London time (or 10:00 a.m. Central European Time, as applicable) on the business day following the Delivery Day (“D+1”) for deliveries made on that Delivery Day (instead of the 19th business day for the natural gas contracts and the 10th business day for the power contracts following the end of the month of delivery, as under the existing Delivery Procedures). Thus, Buyers make contract payment via their nominated accounts, and Sellers receive payment, in respect of deliveries for the preceding Delivery Day. In addition, as modified, on D+1 Seller’s Security for the actual delivered amount is released and ICE Clear Europe releases the ‘Buyer’s Default Top-up’ portion of the Buyer’s Security on confirmed deliveries. Procedures for dealing with failed deliveries are not changed.

In each relevant Part, the amendments adopt a new definition of “Invoice Period,” which is defined as the period beginning at the start of the day on which the last invoice was issued, up to the end of the day prior to the date of the current invoice and includes all payments made from the Buyer to the Seller in respect of completed deliveries. The relevant Parts have also been modified to provide that the Invoice and Account Sale Report, which gives details of all deliveries made during the Invoice Period, will be available by 9:00 a.m. London time (or 10:00 a.m. Central European Time, as applicable) on the day following the Invoice Period.

In addition, conforming changes are made in certain Parts to use the defined term “Exchange Delivery Settlement Price” and its abbreviation “EDSP” instead of “Market Delivery Settlement Price” and “MDSP,” respectively.

In Part J of the Delivery Procedures, text relating to the Clearing House’s ability to retain Buyer’s Security and/or Seller’s Security in the case of a delivery failure, which was inadvertently omitted from a prior filing, has been reinserted. The revised provision is consistent with the treatment of delivery failures under the other Parts of the Delivery Procedures.

(2) Statutory Basis

ICE Clear Europe believes that the changes described herein are consistent with the requirements of Section 17A of the Act<sup>5</sup> and the regulations thereunder applicable to it, including the standards under Rule 17Ad-22,<sup>6</sup> and are consistent with the prompt and accurate clearance of and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts and transactions, the safeguarding of securities and funds in the custody or control of ICE Clear Europe or for which it is responsible and the protection of investors and the public interest, within the meaning of Section 17A(b)(3)(F) of the Act.<sup>7</sup> The amended Delivery Procedures, together with the existing ICE Clear Europe rules, provide the mechanism for physical settlement of the Relevant Futures Contracts, specify the rights, obligations and duties of the clearing members and the Clearing House in connection therewith, and permit the Clearing House to manage the delivery risk with respect to such contracts. In particular, the amendments to the Delivery Procedures revise the timing of payment to be more closely aligned with deliveries made under the Relevant Futures Contracts. ICE Clear Europe thus believes that the proposed rule change is consistent with the requirements of Section 17A of the Act and regulations thereunder applicable to it, including Rule 17Ad-22(d)(15).

(B) Clearing Agency's Statement on Burden on Competition

ICE Clear Europe does not believe the proposed changes to the rules would have any impact, or impose any burden, on competition not necessary or appropriate in furtherance of the Act. ICE Clear Europe is adopting the amendments to the Delivery Procedures principally in

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<sup>5</sup> 15 U.S.C. 78q-1.

<sup>6</sup> 17 C.F.R. § 240.17Ad-22.

<sup>7</sup> 15 U.S.C. 78q-1(b)(3)(F).

order to revise the timing of payment to be more closely aligned with deliveries made under the Relevant Futures Contracts. ICE Clear Europe does not believe the adoption of these changes would adversely affect access to clearing for clearing members or their customers, otherwise adversely affect competition in clearing services, or materially affect the cost of clearing for clearing members or their customers.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

Written comments relating to the proposed changes to the rules have not been solicited or received. ICE Clear Europe will notify the Commission of any written comments received by ICE Clear Europe.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective upon filing pursuant to Section 19(b)(3)(A)(ii) of the Act,<sup>8</sup> and Rule 19b-4(f)(2)<sup>9</sup> thereunder because it effects a change in an existing service of a registered clearing agency that primarily affects the clearing operations of the clearing agency with respect to products that are not securities, including futures that are not security futures, swaps that are not security-based swaps or mixed swaps, and forwards that are not security forwards, and does not significantly affect any securities clearing operations of the clearing agency or any rights or obligations of the clearing agency with respect to securities clearing or persons using such securities-clearing service. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the

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<sup>8</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>9</sup> 17 CFR 240.19b-4(f)(2).

public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

##### Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>) or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-ICEEU-2014-14 on the subject line.

##### Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, N.E., Washington, DC 20549-1090.

All submissions should refer to File Number SR-ICEEU-2014-14. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, N.E., Washington, DC 20549, on official business days between the hours of 10:00 a.m.

and 3:00 p.m. Copies of such filings will also be available for inspection and copying at the principal office of ICE Clear Europe and on ICE Clear Europe's website at

<https://www.theice.com/clear-europe/regulation>.

All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-ICEEU-2014-14 and should be submitted on or before [INSERT DATE 21 DAYS FROM PUBLICATION IN THE FEDERAL REGISTER].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

Kevin M. O'Neill,  
Deputy Secretary.

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<sup>10</sup> 17 CFR 200.30-3(a)(12).